MEHTA & PAI

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B.Com.(Hons.), F.C.A.
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CHARTERED ACCOUNTANTS
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Independent Auditor's Report
To the Board of Directors of Highbar Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Highbar Technologies Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

CHARTERED ACCOUNTANTS
MUMBAI

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mehta & Pai
Chartered Accountants
(Firm Registration No. 113591W)

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

Place: Mumbai
Date: 28-04-2018

(Suresh Mehta)
(Partner)
(Membership No.032230)

Annexure to the Auditors' Report

Annexure referred to in paragraph (3) of our Report of even Date on the Accounts for the year ended 31st March, 2018 of HIGHBAR TECHNOLOGIES LIMITED.

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets. All fixed Assets have been physically verified by the Management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared to books of accounts. Based on our audit procedures performed and according to the information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.

2. The Company does not hold any inventories and therefore, Clause 3 (ii) of the order is not applicable to Company.

3. Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion the terms and conditions of grant of such loans are not prima facie, prejudicial to the company's interest;

(b) The schedule of repayment of the principal and payment of interest has not been stipulated and hence we are unable to comment as to whether repayment and receipts of the principal amount and interest are regular;

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more then ninety days and whether reasonable steps have been taken by the company for the recovery of principal amount and interest.

4. The Company has not entered into any transaction to which the provision of section 185 apply. In our opinion, the company has complied with the provisions of section 186 in respect of inter corporate loan given to fellow subsidiaries.

5. The company has not accepted any deposits from public within the meaning sections 73 to 76 of the Act and the Companies (Acceptance of deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

6. The Central government has not prescribed the maintenance of cost records under sub-section (1) of section 148(1) of the companies Act, 2013. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable.

7. (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, Employees state insurance, income tax, sales tax, wealth tax, cess and other statutory dues applicable to it with the appropriate authorities. According the information and explanation given to us no undisputed amount payable in respect of income tax, wealth tax and sales tax, were outstanding, at the year end for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues outstanding of sales tax, income tax, custom duty, wealth tax on account of any dispute.

8. According to the information and explanations given to us and based on the documents and records produced before us, Company is generally regular in repayment of dues to banks. The Company did not have any outstanding debentures during the year.

Name of bank	Amount of default	Period of default	Remarks
ICICI BANK	25,00,000	75 Days	Principal due in January 2018
ICICI BANK	8,65,035	59 Days	Interest and over due interest of January 2018
ICICI BANK	7,73,386	31 Days	Interest and over due interest of February 2018
ICICI BANK	8,52,150	1 Day	Interest and Overdue interest of March 2018

9. According to the information and explanations given by the management, during the year Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

11. Based on our audit procedures performed and according to the information and explanations given by the management, we report that no managerial remuneration has been paid / provided to which requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 are applicable.

12. In our opinion, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

13. Based on our audit procedures performed and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to financial statements as required by the applicable Ind AS.

14. According to the information and explanations given to us and on an overall examination of the balance sheet, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

15. In our opinion, the company has not entered into any non-cash transaction with the directors or persons connected with them covered under Section 192 of the Act.

CHARTERED ACCOUNTANTS MUMBAI

16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Mehta & Pai
Chartered Accountants
(Firm Registration No. 113591W)

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Place: Mumbai
Date: 28-04-2018

(Suresh Mehta)
(Partner)
(Membership No.032230)

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Highbar Technologies Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mehta & Pai
Chartered Accountants
(Firm Registration No. 113591W)

Place: Mumbai
Date: 28-04-2018

(Suresh Mehta)
(Partner)
(Membership No.032230)

HIGHBAR TECHNOLOGIES LIMITED

STANDALONE BALANCE SHEET AS AT 31st March 2018

	Notes	As at 31 Mar'18 Rs in Lacs	As at 31 Mar'17 Rs in Lacs
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2.01	1,323.69	1,231.61
(b) Intangible assets	2.01	161.85	
(c) Investments in an associate & subsidiaries	2.02	100.99	4.99
(d) Financials Assets			
(i) Investments	2.03	0.02	0.02
(ii) Other financial assets	2.04	-	61.01
(d) Income tax assets (Net)	2.05	286.64	229.75
(e) Other non-current assets	2.06	0.25	0.25
		1,873.45	1,527.63
(2) Current assets			
(a) Financials Assets			
(i) Trade receivables	2.07	729.64	967.58
(ii) Cash and cash equivalents	2.08	166.63	276.66
(iii) Financial guarantees	2.09	-	8.07
(iv) Other Financial Assets	2.10	1,593.54	1,302.32
(v) Deferred tax assets (net)	2.06	70.37	59.74
(b) Other current assets	2.11	43.75	529.02
		2,603.92	3,143.41
TOTAL		4,477.37	4,671.04
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	2.12	625.00	625.00
(b) Other Equity	2.13	300.05	370.73
		925.05	995.73
LIABILITIES			
(1) Non current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.14	774.91	850.00
(ii) Other financials liabilities	2.15	44.20	94.20
(b) Provisions	2.16	22.02	75.94
		841.13	1,020.14
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.17	1,229.59	1,210.82
(ii) Trade payables	2.18	1,165.18	1,205.24
(iii) Other Financial Liabilities	2.19	125.00	100.00
(b) Other current liabilities	2.20	72.38	78.43
(c) Provisions	2.21	119.04	60.68
		2,711.19	2,655.17
TOTAL		4,477.37	4,671.04
III. Significant accounting policies and notes to accounts.	1&2		

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230
Place : Mumbai
Date : 28-04-2018

For & on behalf of Board of Directors

SGD/-

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013

Aditya Jain
Director
DIN: 08115375

Place: Mumbai
Date :

MEHTA & PAI CHARTERED ACCOUNTANTS MUMBAI

HIGHBAR TECHNOLOGIES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2018

		Note No.	Year ended 31 Mar 2018 Rs in Lacs	Year ended 31 Mar 2017 Rs in Lacs
I	**INCOME**			
	(a) Revenue from operations	2.22	2,181.12	2,789.70
	(b) Other Income	2.23	436.87	424.39
	TOTAL INCOME		2,617.99	3,214.09
II	**Expenses**			
	(a) Cost of sale of licenses	2.24	740.36	525.82
	(b) Emloyees benefit expenses	2.25	279.17	932.24
	(c) Finance Cost	2.26	251.08	292.61
	(d) Operation and other expenses	2.27	1,239.90	2,109.91
	(e) Depreciation and amortisation expenses		186.16	80.85
	TOTAL EXPENSES		2,696.69	3,941.43
III	**Profit/(Loss) before exceptional items, share of net profits of investments accounted for using equity method & tax**		(78.69)	(727.34)
	Share of net profit of associates accounted for using equity method		-	-
	Profit/(Loss) before exceptional items & tax			
	Exceptional item		-	(11.62)
IV	**Profit/(Loss) before tax**		(78.69)	(738.96)
V	**Tax expenses :**			
	Adjustment of tax relating to earlier years		(3.40)	(26.22)
	Deferred tax (Charge) / Credit		10.63	
VI	**Profit/(loss) for the year ended**		(71.47)	(765.18)
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	- Gain on fair value of defined benefit plans as per valuation		0.80	6.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the year		(70.67)	(759.06)
VII	**EARNINGS PER EQUITY SHARES**			
	Earnings per equity share Basic & Diluted (face value of Rs. 10/-each)		(1.13)	(12.14)
VIII	Significant accounting policies and notes to accounts.	1&2		

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our reports attached
For MEHTA & PAI
Chartered Accountants
FRN - 113591W

Suresh S Mehta
Partner
Membership No. 032230
Place : Mumbai
Date : 28-04-2018

For & on behalf of Board of Directors

SGD

Shalaka Gulabchand Dhawan
Director
DIN:00011094

Praveen Sood
Director
DIN: 00018013

Aditya Jain
Director
DIN: 08115375

Place : Mumbai
Date :

HIGHBAR TECHNOLOGIES LIMITED

Standalone Cash Flow Statement as at 31st March 2018

	31-Mar-2018	31-Mar-2017
	Rs in Lacs	Rs in Lacs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(78.69)	(738.96)
Adjustments for :		
Depreciation	186.16	80.85
Finance charges	251.08	292.61
Interest earned	(173.86)	(183.99)
Unrealised foreign exchange gain (Net)	(0.92)	-
Investment written of subsidary	-	6.36
Operating profit/(Loss) before working capital changes :	183.76	(543.13)
Adjustments for changes in working capital		
Changes in trade receivable	238.86	169.83
Changes in other receivable	(291.21)	(533.30)
Changes in long term loans & advances	546.29	21.56
Financial guarantees	8.07	-
Changes in Noncurrent Liabilities	(53.92)	(26.71)
Changes in trade payables	(40.06)	776.11
Changes in Other current liabilities	52.30	0.89
Changes in financials liabilities	(24.20)	-
	436.13	408.38
Cash generated from operations	619.89	(134.75)
Direct taxes paid	(60.29)	(38.94)
NET CASH FLOW FROM OPERATING ACTIVITIES	559.60	(173.69)
CASH FLOW FROM INVESTING ACTIVITIES		
Transfer to Intangible Assets	(267.79)	267.27
Addition to Fixed Assets (Net)	(172.30)	(269.22)
Investments in an associates	(96.00)	(4.99)
Interest received	173.86	183.99
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITY	(362.23)	177.04
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(75.09)	(100.00)
Proceeds from short term borrowings	18.77	25.96
Proceed from fellow subsidiary	-	10.22
Interest paid during the period	(251.08)	(292.61)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITY	(307.40)	(356.43)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(110.03)	(353.07)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	276.66	629.73
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	166.63	276.66

Notes

Details of Cash & Cash Equivalents are given in note no. 2.09

Previous year figures have been regrouped/recast whereever necessary

For & on behalf of Board of Directors

As per our reports attached

For MEHTA & PAI

Chartered Accountants

FRN - 113591W

SGD

Shalaka Gulabchand Dhawan

Director

DIN: 00011094

Suresh S Mehta

Partner

Membership No. 032230

Place : Mumbai

Date : 28-04-2018

Aditya Jain

Director

DIN: 08115375

Praveen Sood

Director

DIN: 00018013

Place : Mumbai

Date :

HIGHBAR TECHNOLOGIES LIMITED
CIN No. U72900MH2009PLC197299
STATEMENT OF CHANGES IN EQUITY FOR CONSOLIDATED FINANCIALS STATEMENT
Statement of Changes in Equity for the period ended 31st March'18

A . Equity Share Capital

Amount in (`) in Lacs

Balance as at 1 April 2017	Changes in Equity Share Capital during the period	Balance as at 31 March. 2018
625.00	-	625.00

B. Other Equity

Amount in (`) in Lacs

Particulars	Reserve and surplus							Revaluation Reserve	Other items of Other Comprehensive Income (specify nature)	Capital contribution from fellow subsidary	Total
	Capital Reserve (Forfeited Equity Share Warrants)	Forfeited debenture Accounts	Securities Premium Reserve	Other Reserves -Debenture Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Monetary Translation Account				
Balance at the beginning of the reporting period 01.4.2017	1,025.66	-	-	-	-	(679.02)	-	-	-	24.09	370.73
Addition during the year						(70.67)					(70.67)
Any other change (to be specified) (ref note)											-
Balance at the end of 31.03.2018	**1,025.66**	**-**	**-**	**-**	**-**	**(749.69)**	**-**	**-**	**-**	**24.09**	**300.05**

HIGHBAR TECHNOLOGIES LIMITED

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31st March 2018.

Background

The company carries on the business of developing, designing, buying, selling, importing, exporting, marketing, dealing in, distributing, licensing, integrating, interfacing, customizing, implementing, maintaining & supporting services, products, tools, accessories used in the field of Information Technology.

1) Significant Accounting Policies :

1.01 A) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods up to and including year ended 31 March 2017 were in accordance with the Accounting Standards notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP").

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration which have been measured at fair value, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realisation of receivables within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

1.02 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realizibility of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

1.03 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

1.04 Intangible Assets

Intangible assets comprise of patents and other application software acquired / developed. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

1.05 Depreciation/ Amortisation

Depreciation on Fixed assets is provided:

i) In respect of Building, furniture and fixtures, office equipment, computers, servers and plant and equipment on straight-line method considering the useful life as prescribed in Schedule II to the Companies Act, 2013.

ii) Leasehold improvements are amortized over the period of lease or their estimated useful lives as determined by the management, whichever is lower.

iii) Intangible assets are amortized on the basis of the useful life, based on the management experience of use of asset.

1.06 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. **Financial Assets**

Initial Recognition

In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investments in associates and shares of Co-operative Society and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2015.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) **Initial Recognition**

   Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) **Subsequent Measurement**

   The measurement of financial liabilities depends on their classification, as described below :

   Financial liabilities at FVPL

   Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

   Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

   Financial liabilities at amortised cost

   After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

   Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

   Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) **De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.07 Employee Benefits

1.07.1 Defined Contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

1.07.2 Defined Benefit plan

The Company provides for gratuity and compensated absences which are defined benefit plans the liabilities of which are determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI and in respect of compensated leaves are recognised in the Statement of Profit and Loss, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

1.07.3 Leave encashment & compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on actuarial valuation, similar to that of gratuity benefit. Remeasurement, comprising of actual gains and losses, in respect of leave entitlement are recognised in the statement of profit & loss in the period in which they occur.

1.07.4 Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.08 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

1.09 Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs. All other borrowing costs are expensed in the period in which they occur.

1.10 Foreign Currency Transactions

i. Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year.

ii. Gains or losses arising out of remittance/transaction at the year–end are credited / debited to Profit & Loss account for the year.

iii. Foreign exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.

1.11 Revenue Recognition

i. Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognized as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognized as unbilled revenue. Stage of completion is measured by reference to the proportion that service cost incurred for work performed to date bears to the estimated total service cost. Service cost incurred to date excludes costs that relate to future activity on the contract. Such costs are recognized as an asset and are classified as unbilled revenue as due from customers.

ii. Servicing revenue is recognized over the term of servicing contract. For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided.

iii. Time and material contracts is recognized as and when the related services are provided.

iv. Annual Maintenance service contracts are recognized proportionately over the period in which services are rendered.

v. Revenue from sale of user licenses for software applications is recognized on transfer of the title/product, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.

vi. Provision for estimated losses, if any, on uncompleted contracts are recognized in the year in which such losses become probable based on the current estimates.

vii. Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

viii. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

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ix. Rent is recognised on time proportionate basis.

1.12 Taxation

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current Tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowance and exemptions in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Minimum Alternative tax (MAT) credit is recognized as assets only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit is eligible to be recognized as an assets in accordance with the recommendation contain in Guidance Note issued by Institute of Chartered Accountants of India, the said assets is created by way of a credit to the statement of profit or loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the credit of MAT Credit entitlement to the extent that there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

b) Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the timing differences between the financials statement's carrying amount of existing assets and liabilities and their respective tax basis. Deferred assets and liability are measured using the enacted tax rates that are substantively enacted at the balance sheet date. The effect of deferred tax assets and liability of a change in tax rate is recognized in the period that includes the enactment date. Where there is an unabsorbed depreciation and carry forward losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profit. Such assets are reviewed at each balance sheet date to reassess realization.

1.13 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation.

1.14 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

1.15 Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

1.16 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.17 Investments

Investments are classified as Non-current and current investments. Non-current investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or market value whichever is lower.

HIGHBAR TECHNOLOGIES LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March 2018

2.01

PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lacs)

Particulars	Tangible assets							Intangible Assets		
	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Building and shed	Leasehold improvements	Total	Computer software	Patents	Total
Gross block										
As at 1 April 2016	0.97	137.63	50.25	43.38	931.18	123.02	1,286.44	378.69	4.17	382.85
Additions	-	-	0.35	-	-	284.77	285.12	-		
Deductions/ disposals	-	62.08	7.05	-	-	-	69.13	378.69	4.17	382.85
As at 31 March 2017	0.97	75.55	43.55	43.38	931.18	407.79	1,502.43	(0.00)	(0.00)	-
Additions	-	154.00	18.30	-	-	-	172.30	267.79	-	267.79
Deductions/ disposals	-	-	-	-	-	-	-	-		-
As at 31 March 2018	0.97	229.55	61.85	43.38	931.18	407.79	1,674.73	267.79	(0.00)	267.79
Accumulated depreciation / amortisation and impairment losses										
As at 1 April 2016	0.69	62.64	46.20	40.92	42.64	63.38	256.47	99.76	2.56	102.32
Depreciation/ amortisation charge	0.08	13.31	0.99	0.10	19.41	33.69	67.57	13.13	0.12	13.25
Accumulated depreciation/ amortisation on disposals	-	47.45	5.78	-	-	-	53.23	112.90	2.68	115.58
As at 31 March 2017	0.77	28.50	41.41	41.02	62.05	97.07	270.81	(0.00)	0.00	(0.00)
Depreciation/ amortisation charge	0.08	17.08	0.78	0.10	19.44	42.75	80.22	105.94		105.94
As at 31 March 2018	0.84	45.58	42.19	41.11	81.49	139.83	351.04	105.94	0.00	105.94
Net block										
As at 31 March 2017	**0.21**	**47.05**	**2.14**	**2.36**	**869.14**	**310.71**	**1,231.61**	**0.00**	**0.00**	**0.00**
As at 31 March 2018	**0.13**	**183.97**	**19.66**	**2.27**	**849.70**	**267.96**	**1,323.69**	**161.85**	**0.00**	**161.85**

On 8th August 2016 an agreement was entered with Higbhar Technocrat Limited to transfer intangible assets. During the current year addemdum to this agreement was entered for reaquisition of Intangible assets by Highbar Technologies Limited. Consequiently current year depreciation includes prior period depreciation of Rs 24.27 Lacs.

During the current year the company has re estimated the life of these Intangible Assets with effect from 1st April, 2017. Consequently, additional depreciation due to change in estimation of life of the intangible assets charged in current year is Rs. 47.44 Lacs.

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HIGHBAR TECHNOLOGIES LIMITED

Notes for the year ended 31st March 2018

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	Rs in Lacs	Rs in Lacs
2.02 Investments in an associate & subsidiaries		
Unquoted		
a) In associate company		
-Investment in equity instruments - at cost		
99,940 Share of Rs 10/- each of 'Highbar Technocrat Limited'	100.99	4.99
(Previous year 49940 Share of Rs 10/- each)		
TOTAL	100.99	4.99
2.03 Non-current Investments -Unquoted		
45 Share of Hindustan Kohinoor Co Op Society of ` 50/- each	0.02	0.02
TOTAL	0.02	0.02
2.04 Other financial assets - Non current		
Security & other deposits	-	46.73
Deferred lease expense	-	14.28
TOTAL	-	61.01
2.05 Income tax assets (net)		
i. The following table provides the details of income tax assets and liabilities as at 31 March 2018 and 31 March 2017:		
a) Income tax assets	383.63	377.44
Current income tax liabilities	(96.99)	(147.68)
Net balance	286.64	229.75
ii. The gross movement in the current tax asset/ (liability) for the years ended 31 March 2018 and 31 March 2017 is as follows:		
Net current income tax asset at the beginning	229.75	211.41
Income tax paid	56.89	15.03
Current income tax expense / MAT	-	3.32
Income tax on other comprehensive income	-	-
Net current income tax asset at the end	286.64	229.75
iii. Income tax expense in the Statement of Profit and Loss comprises:		
Current income taxes		
Deferred income taxes #	-	-
Income tax expenses	-	-

Entire deferred income taxes for the years ended 31 March 2018 and 31 March 2017, relates to origination and reversal of temporary differences.

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:		
Profit before income tax	(83.69)	(738.96)
Applicable income tax rate	25.75	33.06
Computed expected tax expense	-	-
Effect of expenses not allowed for tax purpose	-	-
Effect of income not considered for tax purpose	-	-
Income tax expense charged to the Statement of Profit and Loss	-	-

		Year ended 31 Mar 2018	Year ended 31 Mar 2017
		Rs in Lacs	Rs in Lacs
2.06 Deferred tax assets			
Components of deferred income tax assets and liabilities arising on account of temporary differences are:			
Deferred income tax liability			
Timing difference on tangible and intangible assets depreciation and amortisation		(8.81)	(25.95)
Others		(14.30)	(8.68)
TOTAL	(i)	(23.11)	(34.63)
Deferred income tax asset			
Business loss/ unabsorbed depreciation		8.88	15.03
Others		84.60	79.35
MAT credit entitlement		-	-
TOTAL	(ii)	93.48	94.37
Total deferred tax assets (net)	**(i) + (ii)**	70.37	59.74
2.06 Other non-current assets			
Deposit with Sales tax dept.		0.25	0.25
TOTAL		0.25	0.25
2.07 Trade receivable			
Current			
Unsecured			
- Considered good *		729.64	967.58
- Considered doubtful *		8.08	22.21
Less - Allowance for credit loss		(8.08)	(22.21)
TOTAL		729.64	967.58
* - Inculdes due from related parties (refer note no 2.32)			
2.08 Cash & cash equivalents			
Balances with banks - Current Accounts in INR		48.53	74.61
Bank deposit with maturity of less than 3 months		118.10	202.05
TOTAL		166.63	276.66
2.09 Current Assets - Financial guarantees		0.00	8.07
TOTAL		-	8.07
2.10 Other Financial Assets - Current			
(a) Loans & advances to foreign subsidiary (unsecured,considered good)			
- Inter corporate deposit			
- Advances recoverable in cash or kind or for value to be received			
(b) Others			
Deposit with fellow subsidiaries company		692.88	692.88
- ICD to fellow subsidiaries		838.69	609.44
Other deposits- Rent deposits		61.96	
		1,593.54	1,302.32
2.11 Other current assets			
Advance to suppliers		1.66	1.07
Prepaid expenses		0.60	8.37
Cenvat credit receivable		-	18.09
Balances with related parties		39.22	493.63
Intrest receivable		2.26	7.86
TOTAL		43.75	529.02

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			Year ended 31 Mar 2018	Year ended 31 Mar 2017
			Rs in Lacs	Rs in Lacs
2.12 EQUITY SHARE CAPITAL				
(A) Authorised				
1,30,00,000 Equity shares of Rs. 10/- each (Previous Year 1,30,00,000 Equity shares of Rs. 10/- each)			1,300	1,300
TOTAL			1,300	1,300
(B) Issued, Subscribed and Paid up				
62,50,000 equity shares of Rs. 10/- each fully paid (Previous Year 62,50,000 equity shares of Rs 10/- each)			625.00	625.00
(Hindustan Construction Company Limted and it's nominees holds 62,50,000 equity shares (Previous year 62,50,000 euity shares)				
TOTAL			625.00	625.00

Reconciliation of the shares outstaning at the beginning and at the end of the reporting period
Equity Shares :

Number of shares outstanding at the beginning	Qty		62,50,000	62,50,000
		Value	625	625.00
Add : Share issued and allotted	Qty		-	-
		Value	-	-
Number of shares outstanding at the End	Qty		62,50,000	62,50,000
		Value	625	625.00
			-	

Terms / Rights attached to shares :

As a part of the Authorised share capital the company can issue a maximum 1,30,00,000 Equity Shares. The Company has only one class of equity shares having face value as Rs. 10/- each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

Holding Compnay:
Hindustan Construction Company Limited

Shareholding of more than 5%:
Name of the Shareholder

Hindustan Construction Company Limited	% Held	100%	100%
	No of Shares	62,50,000	62,50,000

Bonus shares/ buy back/shares for consideration other than cash issued during past five years:
(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
(iii) Aggregate number and class of shares bought back - Nil

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
2.13 Other Equity		
Surplus		
Opening balance	(679.02)	80.04
Add : Net profit/(loss) transferred from statement of profit & loss account	(70.67)	(759.06)
Closing balance of surplus / (deficit)	(749.69)	(679.02)
Capital reserves	1,025.66	1,025.66
Capital contribution from fellow subsidary	24.09	24.09
Minority interest		
Balance carried forward	300.05	370.73
2.14 Non Current Financial liabilities - Borrowing		
Term loan seured -		
from ICICI bank secured by charge created	899.91	950.00
Less Current maturities transferred to Current liabilities	(125.00)	(100.00)

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	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	Rs in Lacs	Rs in Lacs
* Note		
(a) First exclusive charge on the current assets and fixed assets of the company.		
(b) Mortgage over land situated at Kavsar, Thane Ghodbunder Road, Thane, Maharashtra (32 acres) of HRL(Thane) Real Estate Limited on first pari-passu basis.		
(c) Pledge over 30% shareholding of HCC Real Estate Limited in HRL (Thane) Real Estate Limited.		
(d) Pledge over 30% shareholding of the company held by Hindustan Construction company Limited.		
TOTAL	774.91	850.00
Terms of repayment of loans from ICICI bank		
Principal repayment outstanding as on 31st March	950.00	950.00
Schedule of repayment		
2016-17	50.00	50.00
2017-18	100.00	100.00
2018-19	150.00	150.00
2019-20	150.00	150.00
2020-21	150.00	150.00
2021-22	200.00	200.00
2022-23	200.00	200.00
Overdue amout as on 31st March 2018		
Principal	25.00	-
Interest	24.91	-
2.15 Other financials liabilities - Non Current		
Deposit (Unsecured & Considered good)		
Rent deposit	44.20	71.86
Deferred lease Income	-	22.34
TOTAL	44.20	94.20
2.16 Provisions - Non Current		
Provision for employee benefits :		
Provision for gratuity	15.23	54.98
Provision for leave encashment	6.79	20.96
TOTAL	22.02	75.94
2.17 Current liabilities - Borrowings		
Secured		
Cash credit	980.46	961.69
Inter corporate deposits - unsecured		
From holding company	238.92	238.92
From fellow subsidiary	10.21	10.21
TOTAL	1,229.59	1,210.82
2.18 Trade Payables		
Sundry creditors	1,165.18	1,205.24
TOTAL	1,165.18	1,205.24

Note: The information, as required to be disclosed under the MSMED Act refer note No. 2.33

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
2.19 Other Financial Liabilities - Current		
* Term loan from ICICI Bank - Current maturities	125.00	100.00
TOTAL	125.00	100.00

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HIGHBAR TECHNOLOGIES LIMITED

Notes for the year ended 31st March 2018

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	Rs in Lacs	Rs in Lacs
2.20 Other current Liabilities		
Income tax deducted at source	10.50	54.32
Professional tax payable	0.27	0.22
Service tax payable	-	5.06
Sales tax payable	-	1.34
Salary Payable A/C	-	
GST payable	0.52	
PF payable	1.08	0.53
Unearned revenue	60.00	16.94
TOTAL	72.38	78.43
2.21 Provisions - Current		
Provision for gratuity	75.16	32.09
Provision for leave encashment	43.88	28.59
TOTAL	119.04	60.68
2.22 Income from operations		
Income from software services	1,435.36	2,203.38
Income from sale of licenses	745.76	586.32
TOTAL	2,181.12	2,789.70
2.23 Other Income		
Rental income	253.96	240.19
Others	3.12	0.21
Interest received	173.86	183.99
Dividend Income	5.00	
Foreign exchange gain (Net)	0.92	-
TOTAL	436.87	424.39
2.24 Cost of licenses sold		
Cost of licenses sold	740.36	525.82
TOTAL	740.36	525.82
2.25 Employees Benefits Expenses		
Salary expenses	250.31	881.70
Contributions to Provident and other fund	8.92	33.22
Staff welfare expenses	19.94	17.32
TOTAL	279.17	932.24
2.26 Finance Cost		
Interest	243.01	284.58
Financial Gurantee expenses	8.07	8.03
TOTAL	251.08	292.61
2.27 Operation and other expenses		
Professional charges	1,004.54	1,400.99
Travelling and conveyance	0.63	30.48
Software Expenses.	-	6.35
Car hire charges	2.81	10.85
Electricity charges	-	14.47
Rent	187.39	240.92
Rates and taxes	0.64	8.92
Repairs and maintenance	6.73	54.25
Office expenses	-	0.14
Stationery, postage, telephone and advertisement	0.13	3.46
Investment written off	-	6.36
Foreign exchange Loss (Net)	-	7.47
Bad Debts	26.59	64.42
Loss on winding up of Subsidary	-	249.62
Auditors remuneration :	-	
- Audit Fees	2.00	1.81
- Fees paid in other capacity	0.02	0.09
- Others	-	-
Miscelleneous expenses	8.42	9.34
TOTAL	1,239.90	2,109.91

NOTE 2: NOTES TO ACCOUNTS

2.28 **Contingent Liabilities**

	31st March, 2018	31st March, 2017
Guaranty issued by Bank in respect of contracts	Rs.1 crore	Rs.1 crore

2.29 **Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

A. Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

a) Changes in defined benefit obligations

	Rs.
Present value of obligation as at 31 March 2016	**1,00,43,635**
Interest cost	6,47,217
Current service cost	14,56,449
Remeasurements - Net actuarial (gains)/ losses	(6,11,730)
Benefits paid	(28,28,161)
	87,07,410
Add: Provision for separated employees	-
Present value of obligation as at 31 March 2017	**87,07,410**
Interest cost	5,70,094
Current service cost	2,37,656
Remeasurements - Net actuarial (gains)/ losses	(79,718)
Benefits paid	(3,97,101)
	90,38,341
Add: Provision for separated employees	-
Present value of obligation as at 31 March 2018	**90,38,341**

b) Expenses recognised in the Statement of Profit and Loss for the year

	Year ended 31st March 2018	**Year ended 31st March 2017**
Interest cost	5,70,094	6,47,217
Current service cost	2,37,656	14,56,449
Total	**8,07,750**	**21,03,666**

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c) **Remeasurement (gains)/ losses recognised in OCI**

	Year ended 31st March 2018	Year ended 31st March 2017
Actuarial changes arising from changes in financial assumptions	(33,191)	44,585
Experience adjustments	(46,527)	(6,56,315)
Total	**(79,718)**	**(6,11,730)**

d) **Actuarial assumptions**

	31st March 2018	31st March 2017	31st March 2016
Discount rate	7.2	6.7	7.5
Salary escalation rate - over a long-term	7.5	7.5	7.5
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working lifetime	3.01 years	3.01 years	3 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) **Impact of below changes in discount rate when base assumption is decreased / increase by 100 basis point.**

Discount rate in %	31.03.2018 Defined Benefit Obligation	Discount rate in %	31.03.2017 Defined Benefit Obligation
6.20	91,05,673	5.70	87,66,075
8.20	89,74,669	7.70	86,51,987

Salary increment rate in %	31.03.2018 Defined Benefit Obligation	Salary increment rate in %	31.03.2017 Defined Benefit Obligation
6.50	89,95,461	6.50	86,70,060
8.50	90,82,829	8.50	87,46,173

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Withdrawal rate in %	31.03.2018 Defined Benefit Obligation	Withdrawal rate in %	31.03.2017 Defined Benefit Obligation
32.00	90,38,938	32.00	87,08,803
34.00	90,37,778	34.00	87,06,101

f) Maturity analysis of defined benefit obligation

	31st March 2018	31st March 2017
Within the next 12 months	75,16,000	73,65,000
Between 2 and 5 years	18,49,000	15,81,000
Between 6 and 10 years	7,45,000	6,57,000
Total expected payments	1,01,10,000	96,03,000

2.30 Disclosure in accordance with Accounting Standard -18 Related Party Transaction

Name of the Related Parties & Nature of Relationship

2.30.1 Holding Company

Hindustan Construction Company Limited

2.30.2 Associate Company

Highbar Technocrat Limited (formerly known as Osprey Hospitality Limited, fellow subsidiary upto 21st July, 2016).

2.30.3 Fellow Subsidiaries

1 Western Securities Limited
2 HCC Real Estate Limited
3 Panchkutir Developers Limited
4 HCC Mauritius Enterprises Limited
5 HCC Construction Limited
6 HCC Infrastructure Company Limited
7 HCC Mauritius Investments Limited
8 Lavasa Corporation Limited
9 HRL (Thane) Real Estate Limited
10 HRL Township Developers Limited
11 Nashik Township Developers Limited
12 Maan Township Developers Limited
13 Charosa Wineries Limited
14 Powai Real Estate Developer Limited
15 HCC Realty Limited
16 Pune Paud Toll Road Company Limited ^^
17 HCC Aviation Limited

18 HCC Operation and Maintenance Limited
19 Dhule Palesner Operations & Maintenance Limited
20 HCC Power Limited
21 HCC Energy Limited
22 Dasve Business Hotel Limited
23 Dasve Hospitality Institutes Limited
24 Dasve Convention Center Limited
25 Dasve Retail Limited
26 Full Spectrum Adventure Limited
27 Future City Multiservices SEZ Limited
28 Hill City Service Apartments Limited
29 Hill View Parking Services Limited
30 Kart Racers Limited
31 Lakeshore Watersports Company Limited
32 Lakeview Clubs Limited
33 Lavasa Bamboocrafts Limited
34 Lavasa Hotel Limited
35 Mugaon Luxury Hotels Limited
36 My City Technology Limited
37 Nature Lovers Retail Limited
38 Our Home Service Apartments Limited
39 Reasonable Housing Limited
40 Rhapsody Commercial Space Limited
41 Rosebay Hotels Limited
42 Sahyadri City Management Limited
43 Valley View Entertainment Limited
44 Verzon Hospitality Limited
45 Warasgaon Assets Maintenance Limited
46 Warasgaon Infrastructure Providers Limited
47 Warasgaon Power Supply Limited
48 Warasgaon Tourism Limited
49 Warasgaon Valley Hotels Limited
50 Steiner AG
51 Steiner Promotions et Participations SA
52 Steiner (Deutschland) GmbH
53 VM + ST AG
54 Steiner Leman SAS
55 Eurohotel SA
56 Steiner India Limited

2.32.4 Other Related Parties

1 Bona Sera Hotels Limited
2 Green Hills Residences Limited
3 Spotless Laundry Services Limited
4 Starlit Resort Limited

5 Whistling Thrush Facilities Services Limited
6 Apollo Lavasa Health Corporation Limited
7 Ecomotel Hotel Limited
8 Andromeda Hotels Limited
9 HCC Concessions Limited
10 Narmada Bridge Tollways Limited
11 Badarpur Faridabad Tollways Limited
12 Nirmal BOT Limited
13 Baharampore-Farakka Highways Limited
14 Farakka-Raiganj Highways Limited
15 Raiganj-Dalkhola Highways Limited
16 Knowledge Vistas Limited
17 Evostate AG
18 MCR Managing Corp. Real Estate
19 Projektentwicklungsges. Parking Kunstmuseum AG
20 Gulabchand Foundation
21 Hincon Holdings Limited
22 Hincon Finance Limited

2.31 2.31.1 Transaction with Related Parties during the Year:

Nature of Transactions	31st March 2018	31st March 2017
Transactions during the year		
a) Inter Corporate deposits received		
Western Securities Limited	-	10.21
b) Inter Corporate deposits Given		
HCC Real Estate Limited	210.05	272.32
Western Securities Limited	-	2.04
Lavasa Hotel Limited	6.48	7.32
Highbar Technocrat Limited	12.72	-
c) Inter Corporate Deposits Repaid		
HCC Real Estate Limited	-	10.00
Western Securities Limited	-	14.79
d) Investments		
Highbar Technocrat Ltd. (Formerly known as Osprey Hospitality Ltd.)	96.00	4.99
e) Transfer of Current Assets		
Highbar Technocrat Limited	-	280.83
f) Transfer of Current Liabilities		
Highbar Technocrat Limited	-	78.53
g) Transfer of Fixed Assets		
Highbar Technocrat Limited	267.79	283.70
h) Interest paid		
Hindustan Construction Company Limited	29.87	29.87

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Nature of Transactions	31st March 2018	31st March 2017
i) Interest Earned		
HCC Real Estate Limited	159.05	143.72
Western Securities Limited	-	1.45
Lavasa Hotel Limited	6.48	5.57
Highbar Technocrat Limited	1.23	-
j) Rendering of professional services		
Hindustan Construction Company Limited	294.19	433.14
Lavasa Corporation Limited	-	19.37
HCC Real Estate Limited	0.36	0.53
Steiner India Limited	3.05	4.63
DMRC CC-34 (Alpine - Samsung - HCC Joint Venture)	0.28	5.24
Highbar Technologies FZ-LLC	-	21.55
Steiner AG	-	106.13
Baharampore-Farakka Highways Ltd.	5.43	10.07
Farakka-Raiganj Highways Limited	5.43	10.07
Highbar Technocrat Limited	217.13	13.00
k) Rent Income		
Highbar Technocrat Limited	27.20	24.07
l) Receiving of Services/Professional Charges incurred		
Highbar Technocrat Limited	979.00	1,362.23
m) Purchase of Software		
Highbar Technocrat Limited	735.52	-
Outstanding Balance as at 31.03.2018		
(1) Equity Share Capital Outstanding at Face Value :		
Hindustan Construction Company Limited	625.00	625.00
(2) Inter Corporate Deposits Received		
Hindustan Construction Company Limited	238.92	238.92
Western Securities Limited	10.21	10.21
(3) Inter Corporate Deposits Given		
ICD to HCC Real Estate Limited	769.65	559.59
ICD to Lavasa Hotel Limited	56.33	49.85
ICD to Highbar Technocrat Limited	12.72	-
(4) Interest Receivable		
Lavasa Hotel Limited	-	2.21
Highbar Technocrat Limited	0.30	-
(5) Interest Payable		
Western Securities Limited	1.25	0.10
(6) Receivables Balances at the Year End		
Lavasa Corporation Limited	166.76	168.35
Hindustan Construction Corporation Limited	120.78	-
Steiner India Limited	2.61	3.52

Nature of Transactions	31st March 2018	31st March 2017
HCC Real Estate Limited	10.91	19.32
DMRC CC-34 (Alpine - Samsung - HCC Joint Venture)	0.32	0.31
Baharampore-Farakka Highways Ltd.	1.55	0.37
Farakka-Raiganj Highways Limited	1.09	0.37
Charosa Winneries Ltd.	0.72	0.72
Highbar Technocrat Limited	16.55	486.01
(7) Payable Balances at the Year End		
Hincon holding Limited	0.82	0.96
Hindustan Construction Company Limited	741.99	398.79
Highbar Technocrat Limited	441.78	687.05
(8) Deposit		
HCC Real Estate Limited	650.00	650.00
Lavasa Hotel Limited	42.88	42.88
(9) Investments		
Highbar Technocrat Ltd. (Formerly known as Osprey Hospitality Ltd.)	100.99	4.99
(10) Loans & Advances		
(11) Retaintion of Highbar Technocrat Limited	188.00	-
(12) Corporate Guarantee taken and outstanding		
HCC Real Estate Limited	2,000.00	2,200.00

2.31.2 Transaction with Key Management Personnel during the Year:

Rs. In Lacs

Nature of Transactions	31st March 2018	31st March 2017
Remuneration paid to Key Management Personnel Mr. Satish Pendse till 30th Sept. 2016	-	159.48

2.32 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006. As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

S.No	Particulars	31st March 2018 Rs.	31st March 2017 Rs.
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii)	Interest due on (i) above remaining unpaid	Nil	Nil
(iii)	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv)	Interest paid on (iii) above	Nil	Nil
(v)	Interest due and payable on (iii) above	Nil	Nil
(vi)	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

The above information MICRO, Small and Medium Enterprises has been determined to the extent such parties have identified on the basis of information available with the company. This has been relied upon by the Auditors.

2.33 Earnings per Share

Rs. In Lacs

	2017-18	2016-17
a. Net Profit / (Loss) after Tax available for Equity Share holders	(70.43)	(759.06)
b. Weighted average of Number of Equity Shares (for Basic & Diluted EPS)	62.5	62.5
c. Basic & Diluted earnings per Share (in Rs.)	(1.13)	(12.14)
d. Face Value per Share (in Rs.)	10	10

2.34 Segment Information

Where a financial statement contains both a consolidated financial statement & separate financial statement of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statement.

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2.35 Financial risk management objectives and policies

During the year, no transactions are entered in foreign currency. Consequently, the company is not exposed to foreign exchange risk. Hence, the analysis of foreign currency risk and sensitivity analysis is not required to be disclosed.

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, uncompleted contracts and value of work done, cash and cash equivalents and receivable from group companies.

a. Credit risk on trade receivables and uncompleted contracts and value of work done is limited to the extent the customers of the Company consists of the government promoted entities having a strong credit worthiness. For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and Uncompleted contracts and value of work done. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

   The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	31 March 2018	31 March 2017
Revenue from government promoted agencies	0.22%	1.14%
Revenue from others	99.78%	98.86%
	-------------------	-------------------
Total Revenue in Lakhs	2,181.12	2,789.70
	==========	==========

1) **Credit risk exposure**

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2018 and 31 March 2017 is nil and nil respectively

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

2) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2018					
Borrowings	1,229.59	125.00	774.91	-	2129.50
Trade payables	-	1,165.18	-	-	1,165.18
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	-	-	44.20	-	44.20
	1,229.59	**1,290.18**	**819.11**	**-**	**3,338.88**

INR in Lakhs

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2017					
Borrowings	1,210.82	100.00	850.00	-	2160.82
Trade payables	-	1,205.24	-	-	1205.24
Financial guarantee contracts	-	-	-	-	-
Interest accrued	-	-	-	-	-
Advances	-	-	-	-	-
Other financial liabilities	-	-	94.20	-	94.20
	1,210.82	**1,305.24**	**944.20**	**-**	**3,460.26**

2.36 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity.

	As at 31 March 2018	As at 31 March 2017
Total debt	2,129.50	2,160.82
Total equity	925.05	995.79
Net debt to equity ratio (Gearing ratio)	**2.30**	**2.17**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define the capital structure requirements.

2.37 Previous year figures have been regrouped / recast wherever necessary.

As per our report attached

For MEHTA & PAI
Chartered Accountants
FRN. -11359W

Suresh Mehta
Partner
Membership No. 032230

Place : Mumbai
Date : 28-04-2018

MEHTA & PAI
CHARTERED ACCOUNTANTS
MUMBAI

For & on behalf of Board of Director

Sd/-

Shalaka Gulabchand Dhawan
Director
DIN: 00011094

Praveen Sood
Director
DIN: 00018013

Aditya Jain
Director
Din: 08115375
Mumbai
Date:

Note 2.38 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.
The following methods and assumptions were used to estimate the fair value:
(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

` lakhs

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in preference shares	-	0.00 *	-	-	-	-	-	-
Investment in debentures	-	-	-	-	-	-	-	-
Investments in equity shares (unquoted)	2.02	-	-	-	0.02	-	0.02	0.02
Investments in equity shares (quoted)	-	-	-	-	-	-	-	-
Trade receivables	2.07	729.64	-	-	-	-	729.64	729.64
Financial Gurantee assets	-	-	-	-	-	-	-	-
Others financial assets	2.04 & 2.10	1,593.54	-	-	-	-	1,593.54	1,593.54
Cash and cash equivalents	2.08	166.63	-	-	-	-	166.63	166.63
Other bank balances	-	-	-	-	-	-	-	-
Liabilities:								
Borrowings	2.14 , 2.17 & 2.19	2,129.50	-	-	-	-	2,129.50	2,129.50
Trade payables	2.18	1,165.18	-	-	-	-	1,165.18	1,165.18
Other financial liabilities	2.15	44.20	-	-	-	-	44.20	44.20

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The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows:

` lakhs

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in preference shares	0	0.00 *	-	-	-	-	-	-
Investment in debentures	0	-	-	-	-	-	-	-
Investments in equity shares (unquoted)	2.02	-	-	-	0.02	-	0.02	0.02
Investments in equity shares (quoted)	0	-	-	-	-	-	-	-
Trade receivables	2.07	967.58	-	-	-	-	967.58	967.58
Financial Gurantee assets	2.09	8.07	-	-	-	-	8.07	8.07
Others financial assets	2.04 & 2.10	1,363.33	-	-	-	-	1,363.33	1,363.33
Cash and cash equivalents	2.08	276.66	-	-	-	-	276.66	276.66
Other bank balances	-	-	-	-	-	-	-	-
Liabilities:								
Borrowings	2.14, 2.17 & 2.19	2,160.82	-	-	-	-	2,160.82	2,160.82
Trade payables	2.18	1,205.24	-	-	-	-	1,205.24	1,205.24
Other financial liabilities	2.15	94.20	-	-	-	-	94.20	94.20

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B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

` lakhs

Particulars	31 March 2018			31 March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares (quoted)	-	-	-	-	-	-
Investments in equity shares (unquoted)	-	0.02	-	-	0.02	-